CHAPTER 6

Strive for Win/Win Stakeholder Relationships

"Alone we can do so little. Together we can do so much."
– Helen Keller

Perhaps the biggest advantage an association has over its competitors, especially those in the corporate world, is the vast army of individuals and organizations that have a vested interest in its success. Most of an association's customers are also members. Many of these members are passionate about the association's vision and mission and stand ready to donate their time and intellectual capital to its success. The value of this free resource is immeasurable.

Aside from members, associations typically have a cadre of corporate partners—vendors, sponsors, exhibitors, advertisers, grant makers, and affinity partners. These partners certainly have their self-interests; however, they also realize that their success is affected by the association's success. Many corporations are eager to team with associations in creating and delivering value to members, including educational content, or to donate to an association's foundation with few strings attached.

For associations engaged in advocacy, there is a third stakeholder group composed of current and potential organizational allies. Realistically, even associations with multimillion dollar budget political action committees need such allies to influence legislators and regulators.

Last, but not least, is staff. This stakeholder group includes individuals with experience and expertise in each functional area that is critical to the association's success. Although some staff are there just for the money, in every association I have served the vast majority are passionate supporters of the association and the members they serve.

All of these stakeholders—members, corporate and advocacy partners, and staff—are critical to an association's success. Yet, in many cases very little board member attention and meeting agenda time is devoted to ensuring that relationships with these stakeholders are strong and productive.

What happens if your members perceive that their opinions are not valued or their expressed desires to become involved in the association's work are rebuffed? What happens when your corporate partners believe the association takes advantage of them and has no interest in their success? What happens when current and potential advocacy partners perceive your association has tunnel vision regarding its own regulatory and legislative agenda, unwilling to compromise or support what other organizations are trying to accomplish? And what happens when your staff hear board members bemoaning staff-driven organizations and experience the board adopting an "us versus them mentality," treating staff as mere pawns as opposed to partners?

The answer to all these questions is disengagement and unwillingness on the part of these stakeholders to devote their all to your association's success. Association board members and the CEO must assure this does not happen!

For the Good of the Members

Association leaders need to keep a pulse on stakeholders' perceptions and ensure a mindset of forging win/win working relationships. What is meant by win/win? Noted author and leadership guru Stephen Covey described the concept in his book *The 7 Habits of Highly Effective People:* "Win/win is a frame of mind and heart that constantly seeks mutual benefit in all human interactions. Win/win means that agreements or solutions are mutually beneficial, mutually satisfying. With a win/win solution, all parties feel good about the decision and feel committed to the action plan. Win/win sees life as a cooperative, not a competitive arena."

Understand Your Members

The most important stakeholder group association leaders should focus on is the members; without members the association would not exist. It starts with developing and maintaining a true understanding of who they are, what challenges and opportunities they face, and what they are looking for in their association.

Many associations' bylaws require board representation by various member segments and/or geographic regions. With this comes an assumption that these board representatives understand what members of their specific constituency want and can speak on their behalf. Is such an assumption valid? Not necessarily. It's really no different than assuming that a member of Congress, representing a specific geographic region, in all cases conveys opinions and votes according to the wishes of his/her constituents. We all know that is not the case!

I have witnessed numerous examples of board members asserting that "the members want this" only to be proven wrong by member research data that clearly contradict their point of view. Board members' perceptions compared to those of rank-and-file members are frequently as different as city dwellers and farmers. With few exceptions, board members have a long history of active engagement on committees and other leadership roles leading up to their board service. They also are typically much bigger consumers of the association's products, programs, and services. Their mindset is of the ultra-active member, which probably represents less than 5 percent of the association's total members. Try as they may to put themselves in the shoes of the remaining 95 percent, board members cannot do so without help.

This holds true even for the most networked board members. Their interactions are still limited to a relatively small percent of members they encounter in professional and social settings. They do not have the time or ability to personally interact with the vast majority of members that comprise the association. With this in mind, the board should be open to member feedback and comments and should support a continuous program of member research directed by staff or external contractors. This includes periodic member surveys, focus groups, and other tools to gather input from members. Time should be allocated periodically on board agendas to present and discuss the results of member research.

In addition to listening and reacting to what members say, it's also important for the board to consider what members actually do. Sheri Jacobs, in her book *The Art of Membership* (Jossey-Bass, 2014), says, "Asking your target audience about their preferences alone may not provide you with accurate information. You need to look at an individual's behavior as well.... Although preference questions may provide important data on how a member would act or respond when few or no barriers (such as cost or time) exist, they often do not reflect the realities most people and organizations face."

For example, member survey data may indicate a strong preference by members for an onsite as opposed to webinar educational program. But a subsequent analysis of actual attendance data may indicate sparse attendance for the onsite meeting contrasted by high attendance for the webinar. Much as they may prefer onsite education, the timing of course offerings may not match with job-related or personal priorities. Even if the timing is right, members may view the cost of such programs as excessive.

Finally, in terms of understanding members, board members and staff need to be cognizant of what members may not realize they want or need. Steve Jobs, putting aside his flaws in interacting with his staff and others, is the epitome of an innovator who understood what his customers would value in the future. He leveraged this understanding to build the huge corporate empire that Apple is today.

In the association world, there may not be a Steve Jobs equivalent. However, association leaders can gauge future needs by consulting with recognized futurists and by focusing a portion of member research on problems and challenges they currently face or anticipate facing in the future. Associations will also increasingly have the ability to mine demographic and other data in their association management systems, helping them build predictive models for what members will value in the future.

With a solid understanding of an association's members, the board will be well positioned to undertake strategic planning, a topic addressed further in Chapter 7. This planning includes identifying specific initiatives that current and future members will identify with and embrace.

Engage Your Members

Aside from understanding members, association leaders should make sure opportunities exist for members to engage with the association. The vast majority of most associations' members are mailbox members. Although they perceive value in your association, they do not want to engage other than opening the mailbox for their journals and magazines, extracting information from the members' only section of the association's website, and perhaps occasionally attending an annual meeting.

However, there is almost always a subset of members that truly wants to become involved in the association. In many cases the motivations are ego fulfillment and resumé padding. However, in many other cases the motivation is primarily altruistic, a passion for the association's mission and a desire to support it.

Regardless of motivation, involved members represent a huge potential resource for your association. Boards and CEOs should collaborate in identifying opportunities for members to serve. With a little creativity, small but meaningful roles can be identified. Such roles are an excellent entrée for members to "test the water" relative to association work.

Some associations use members as first-time-attendee ambassadors at their annual meeting, making sure that the newbies feel welcomed and oriented to all the meeting has to offer. Other associations offer members the opportunity to serve on focus groups. Others still, including the Heart Rhythm Society,Washington, DC, have a defined group of members that are on standby to serve as a sounding board when staff or the board needs input on various issues. More than 900 HRS members participate on its Advisory Panel, completing brief monthly surveys and receiving exclusive access to summary reports.

These relatively small roles may be all most members want to undertake. However, these assignments can be excellent opportunities to vet and prepare them for more substantive roles, including service on committees and work teams. Association boards and CEOs should ensure the committee/work team selection process is as open, fair, and inclusive as possible. Many associations rely too much on the good ole boy or girl network to fill vacant positions. Criteria for service on committees and work teams should be documented and readily available for any member to see. There should be open calls for members to apply for vacant positions, and the selection process should be fair. Limitations should be placed on how many committees a given member can serve on, assuming there are far more members interested in serving than there are available slots. Finally, there should be limitations on how long a member can serve on a specific entity, be it the board or a committee. As valuable as experience and historical perspective can be, any organizational entity benefits from a continual infusion of new blood and fresh perspectives.

In working with member stakeholders, association's leaders must focus on the definition of win/win, providing a good result for everyone involved. Your members need to feel appreciated, understood, and enabled to engage as they choose with your association. In other words, they need to feel the love! When members know they are valued, your member retention rates will be sky-high and your association will have an army of passionate volunteers to call on as needed.

Help Your Corporate Partners Achieve Their Goals

For most associations, financial support from corporate partners, including grants, sponsorships, exhibit revenue, advertising, and affinity programs, is critical for the organization's success. Such financial support contributes to the development and subsequent operation of products, programs, and services that individually may be unprofitable but are highly valued by members.

In addition to financial support, the corporate community can be a tremendous knowledge resource to associations. Corporate partner representatives can educate an association's members via the exhibit hall at annual meetings, advertising, or other means regarding new products and services that will directly benefit members in serving their own customers. In many instances corporate partners can also supplement an association's resources and expertise in developing and delivering new educational programs at meetings, online, or in print.

As valuable as corporate partners can be, when taken to an extreme, engagement with them can be detrimental to an organization. Some associations, in their desperation for more corporate dollars, give away too much real estate on their website and publications for corporate logos and promotional materials. They endorse questionable, unproven corporate products and in other ways dilute or tarnish the association's brand in favor of corporate branding.

One association I worked with gave a corporation branding rights for two key social events at the annual meeting. The annual meeting, in the eyes of many attendees, became a co-branded association/Company X offering. What a good deal that was for the corporate partner! For a relatively modest investment of time and money, the sponsor generated nearly as much goodwill from the association's members as the association did.

Keeping in mind both the positive and potentially detrimental aspects of corporate relations, association boards have a fiduciary duty to contribute to and ultimately approve the organization's corporate relations strategy. Strategic questions include the following:

- To what extent will specific industry segments or companies be prioritized or excluded relative to soliciting financial support?
- Will there be limitations regarding exhibit floor space that will be offered to various industry segments or general consumer products?
- Which association publications will carry advertising, and will there be limitations placed on how much advertising can be sold in each publication?

- Will the association endorse company products and, if so, how will the association's reputation and credibility be protected?
- What limitations, if any, will be placed on giving corporations access to members via selling members' email addresses or by other means?

Aside from addressing these strategic issues, the board should support professional staff in strategy execution. I have seen boards fail in this regard by going to two extremes. Under both extremes, board members demonstrate by their actions a lack of understanding or interest in forging win/win relationships with the association's corporate partners.

On one extreme, some board members seem to have a mindset that the association is doing a favor to any company that wants to engage with it. They ignore the fact that companies are under increasing pressure to maximize their return on investment and in most cases have viable alternatives aside from your association for reaching members. These board members ignore requests from staff to visit and personally thank exhibitors and corporate sponsors at the annual meeting as well as requests for them to attend key meetings with corporate executives.

On the other extreme, some board members who have strong personal relationships with specific companies act as lone rangers. They bypass coordination with their association's professional staff who are charged with nurturing corporate relationship building. In many cases board members make high-pressure demands for corporate dollars that may help the association in the short run. However, in the long run, their actions can result in frayed relationships, diminished staff credibility with their corporate liaisons, and a pull-back in a corporation's long-term financial support.

How can board members help an association build strong corporate partnerships? They should make staff aware of relationships they have with current and potential corporate partners as well as specific contacts they have within such companies. They certainly should feel free to suggest ideas and tactics for engaging with these contacts. They should also notify staff if they become aware of concerns or opportunities for new corporate support that are shared by their contacts.

However, aside from offering such input, board members should let staff take the lead role in crafting and implementing engagement plans with each specific company that are in line with the association's overall corporate relations strategy. To the extent possible, board members should support such plans with their active involvement in corporate meetings scheduled by staff and in showing appreciation to the association's corporate partners whenever possible.

Finally, board members collectively should monitor satisfaction levels as reflected in annual meeting exhibitor surveys, focus groups of corporate liaisons to the association, or other means. Appendix 6.1 includes a set of example questions I have typically asked an association's key corporate partners annually or biannually.

Regardless of the methodology used, the CEO should gather and summarize corporate feedback for presentation to the board at least once a year and communicate action steps staff anticipate taking to address significant concerns and opportunities. Such feedback may result in changes to the overall corporate relations strategy as well as impact other strategic discussions and decision making undertaken by the board.

Identify and Nurture the Best Organizational Partnerships to Add Member Value

Aside from corporate partners, most associations have established formal or informal relationships with other organizations that are teammates in offering value to your members. Many CEOs field numerous requests from various organizations to partner with the association in new or different ways. Such requests range from advocating for specific legislation, to writing guidelines and standards, to joint development and delivery of educational content.

Association boards and the CEO need to determine the types of organizational relationships that are most critical in supporting attainment of the strategic plan and in serving the members. Just as it is impossible for an association to meet every member's desires, it is likewise impossible to respond positively to all requests brought forward by other organizations for collaboration. Many times the answer has to be a polite "no" or the association will risk progress on its key priorities.

CEOs should take the lead role in inventorying current and possible organizational relationships, and categorizing them by priority. Priority 1 relationships should be nurtured, with frequent communications between the board and staff leaders that include strategizing current and future collaboration opportunities. A priority 1 relationship that I was associated with included bi-annual one-day leadership summits with both associations' board officers and senior staff as well as sharing of all board meeting summaries. The CEOs attended each other's annual meetings and were given opportunities to periodically deliver updates to each other's boards.

These and other actions resulted in numerous win/win collaborative initiatives for the two associations, which benefited the members of each.

Priority 2 organizations are important, but receive less attention, with minimal or no systematic communications between the organizations. Requests for collaboration from these organizations, although duly considered, typically receive a higher level of scrutiny given the potential drain on time, money, and other resources that could be better spent on Priority 1 relationships.

Priority 3 represents organizations that need to be on the radar screen, including key competitors. However, they typically are not collaboration partners.

Appendix 6.2 includes a format I have used to categorize organizational relationships, including example protocols for engaging with organizations assigned to each priority. It also presents a template for fleshing out priority 1 relationships. This includes an opportunity to document historical, current, and proposed collaborative initiatives.

Value Your Staff

Aside from members, staff is the most valuable asset associations have. In addition to association profession and functional expertise they bring to the table (e.g., finance, marketing, and technology), each staff person devotes approximately 2,000 hours annually to serving your association and its members.

Although most staff members typically have little experience with the profession or trade served by the association, their careers and livelihoods are tied to the organization's success. Most of them care far more about the association they work for than the professional associations they belong to.

Some board and other member leaders do not understand this mindset. Rather than appreciating and cultivating a strong, mutually respectful partnership with staff, they view themselves as the sole stewards of the association. They devalue what staff members bring to the table, bemoan "staff-driven" associations, and promote an "us versus them" orientation. Taken to an extreme, the member leaders in a few associations might verbally abuse staff or treat them as personal assistants. The results include low employee morale, difficulty in recruiting and retaining high-quality staff, failure to take advantage of staff expertise, decreased member service, and ultimately much lower staff productivity.

To prevent these consequences, board members collectively and individually have a fiduciary duty to consistently build up and partner with their staff. They should look for opportunities to show appreciation verbally and in more tangible ways. Most important, they need to hold each other accountable, simply not tolerating the rogue board member who has a reputation for berating or in other ways devaluing staff.

Aside from their own interactions with staff, the board's fiduciary duty includes supporting, monitoring, and holding the CEO accountable for maintaining a healthy work environment that is aligned with human resources management best practices. The board should:

- Ensure that a human resources audit is undertaken every three to five years by the association's attorney or a reputable human resources consulting firm to identify the extent to which the organization is in compliance with employment law and has adopted best practices in human resource management. The audit should also include verification that the association's compensation and benefits program is in line with the competitive market.
- Ensure the budget includes funds for employee training and development, professional certification, and participation in relevant professional associations.
- Monitor staff turnover levels and the reasons for turnover.
- Pursue recognition as an employer of choice. There are several such programs administered by organizations at the local, state, and national level. I can personally attest to the positive impact such recognition can have in recruiting and retaining the best possible staff. Even if your association is not selected as a winner, the process of applying for recognition can lead to a better understanding of human resources administration changes that should be made. It can also lead to identification of good role model organizations and future benchmarking partners.

One word of caution. Some boards believe their fiduciary duty to staff extends to receiving and acting upon results from employee engagement and opinion surveys or giving credence to the vocalized opinions of a few specific staff members. Such is not the case. Engagement and opinion surveys certainly can be of great value to the CEO, human resources director, and other senior staff in identifying staff concerns and opportunities to create a more healthy work environment. CEOs should be encouraged and commended for undertaking surveys annually or biannually.

However, these same surveys can be used as a club by relatively few staff or board members to build a case for removing an otherwise high-performing CEO, even if the overall survey results are in line with or exceed satisfaction levels found in other organizations. In any organization, there are malcontents, especially if the CEO is attempting to drive a new culture. In other cases, staff may take offense at necessary, but unpopular, expense reductions. Others still are upset when they are held more accountable for their actions than was previously the case. If these malcontents know their responses to employee surveys will be seen by the board, they basically have incentive to sensationalize and in other ways distort their feedback to make the CEO look bad.

With these possibilities in mind, the board should rely on the survey administrator, typically a consultant with a track record of administering numerous employee engagement and opinion surveys, to convey to the board a high-level summary of key results. In other words, the board should not receive detailed responses from individual employees to specific survey questions. The summary should include an indication of how the association compares with similar organizations. If the survey has been administered previously, perhaps a year or two earlier, the summary could also include trends.

The board should dig deeper and perhaps take action to protect its valuable staff asset only if the consultant indicates strong concerns. The same advice holds true relative to the vocalized opinions of staff members. Board members frequently have strong working relationships, extending to friendships, with individual staff. They rely heavily on these individuals to give them the scoop on staff morale and the overall office environment. These staff members' input can be a potential danger for the CEO and the entire organization. Board members must realize that some staff may take advantage of their friendships with them to promote their personal agendas.

Therefore, board members should generally refrain from soliciting such input from individual staff, relying instead on nonbiased data to assess whether or not the CEO is doing his/her job relative to staff management. This includes periodic staff turnover reports, exit interview summaries, and external consultant summaries of employee survey results.

And the Buck Stops With...

The board, the CEO, and the staff are all responsible for win/win relationships. The board should:

- Demonstrate its interest in understanding and building win/win relationships with the association's key stakeholders by devoting time on meeting agendas to the topic;
- Support staff through the budgeting process and personal involvement in forging win/win relationships with external stakeholders;

- Prove by their actions an appreciation and partnership mentality with staff; and
- Hold the CEO accountable for stakeholder satisfaction.

The CEO and his/her staff realistically will be the primary day-to-day stewards of building and nurturing relationships with corporations and other organizations that want to partner with the association. The CEO also needs to be the primary driver of a healthy work environment for the final key stakeholder group—the staff.

Tying It Back to the Members

Certainly members appreciate when their association demonstrates interest in understanding them better and takes into account their input in planning new products, programs, and services. They also appreciate when their association gives them opportunities to engage, to the extent they desire, in the work of the association. Whether in a minimal time commitment role or high-profile, time intensive service on a committee or work team, the result is increased member satisfaction and higher retention levels.

As for corporate and other organizational partners, healthy win/win relationships result in far more resources from them—money, time, and intellectual capital—than associations could otherwise afford. This translates into stronger, healthier associations that are better positioned to bring value to members.